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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

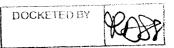
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KRISTIN K. MAYES – Chairman GARY PIERCE PAUL NEWMAN SANDRA D. KENNEDY 2010 NOV -9 P 3: 12

AZ CORP COMMISSION DOCKET CONTROL Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF PARK WATER COMPANY, INC. FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02353A-10-0242

PROCEDURAL ORDER

BY THE COMMISSION:

On July 29, 2010, Park Water Company, Inc. ("Park Water" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates and charges, using a test year ending December 31, 2009. Park Water's application requests an increase in rates of \$26,138 over total test year revenues of \$70,372.

On July 14, 2010, the Commission's Utilities Division ("Staff") filed a Letter of Deficiency stating that Park Water's application had not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

On July 29, 2010, and August 19, 2010, Park Water filed responses to Staff's Letter of Deficiency and Data Request.

On August 26, 2010, Staff filed a Letter of Sufficiency in this docket stating that Park Water's application had met the sufficiency requirements as outlined in A.A.C. R14-2-103 and that Park Water has been classified as a Class D utility.

On September 29, 2010, Park Water filed a Request for Extension of Time. The Company requested an additional 60 days to amend its application to include the plant that was financed with the Water Infrastructure Finance Authority ("WIFA") emergency surcharge. The Company stated that completion of the plant is imminent and that the plant will be placed into service as soon as the required testing and Arizona Department of Environmental Quality ("ADEQ") approvals have been obtained.

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On October 20, 2010, the Company filed an amended request for an extension of time requesting waiver of the time clock so that the Company could complete the plant needed and obtain the required testing and ADEQ approvals. Park Water's amended request also stated that Park Water needed the cash flow that will be generated from the plant to help pay for all of the WIFA loan requirements as well as to pay for unforeseen emergencies.

Staff indicated that it did not object to the Company's request to waive the time clock.

On October 22, 2010, by Procedural Order, a Procedural Conference was scheduled for November 8, 2010, to discuss the approximate timeframe for the Company to file its amended application and given the timeframe for filing the amended application whether the 2009 test year is appropriate. The Procedural Order also suspended the time clock temporarily.

On November 8, 2010, the Procedural Conference was held as scheduled. Staff appeared through counsel and Ms. Patricia O'Connor, President of Park Water appeared telephonically on behalf of the Company. During the Procedural Conference, Ms. O'Connor stated that she believed the Company could file its amended application within a week and that all testing and ADEQ approvals would be completed within the next 30 days. Given the timeframe discussed by the Company, Staff stated that using the 2009 test year would save the Company two to three months administrative review and because Staff believes the 2009 and 2010 test year numbers would be similar, the 2009 test year is still appropriate. At the conclusion of the Procedural Conference, Staff was directed to make a filing updating the Commission on the status of Staff's review of the Company's amended application within the next 30 days.

IT IS THEREFORE ORDERED that Staff shall file on or before December 10, 2010, a status report updating the Commission on Staff's review of the Company's amended application.

IT IS FURTHER ORDERED that the timeclock in this matter shall remain suspended pending further order of the Commission.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance 1 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the 2 rules of the Arizona Supreme Court). Representation before the Commission includes the obligation 3 to appear at all hearings, procedural conferences, and Open Meetings for which the matter is 4 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the 5 6 Administrative Law Judge or Commission. IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive 7 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing. 8 9 Hh day of November, 2010. 10 11 12 13 ADMINISTRATIVE LAW JUDGE 14 Copies of the foregoing mailed this _____ day of November, 2010, to: 15 16 Patricia M. O'Connor, President PARK WATER COMPANY, INC. 17 P.O. Box 16173 Phoenix, AZ 85011 18 Janice Alward, Chief Counsel 19 Legal Division ARIZONA CORPORATION COMMISSION 20 1200 West Washington Street Phoenix, AZ 85007 21 Steven M. Olea, Director 22 ARIZONA CORPORATION COMMISSION 1200 West Washington Street 23 Phoenix, AZ 85007 24 By: 25 Debra Broyles Secretary to Yvette B. Kinsey 26

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